

Message Text

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ACTION ARA-20

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15

NIC-01 AID-20 PC-04 EB-11 COME-00 AGR-20 SCEM-02

INT-08 OMB-01 RSR-01 /157 W
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R 032120Z AUG 73

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 8222

INFO AMEMBASSY LIMA

AMCONSUL GUAYAQUIL

USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 QUITO 4056

E.O. 11652: GDS

TAGS: PINT, EC

SUBJECT: POLITICS IN ECUADOR: MORE BUBBLES IN THE POT

REF: QUITO 3865

1. SUMMARY: THE RESTORATION FRONT HAS TAKEN A SOMEWHAT STRONGER LINE AND HAS INJECTED NEW ISSUES INCLUDING THE SPECIAL TRIBUNALS AND CORRUPTION INTO THE POLITICAL SITUATION. THE PNR HAS TAKEN A PARALLEL POSITION BUT HAS ADDED THE DECLINE IN PETROLEUM EXPLORATION TO THE EQUATION. PRESIDENT RODRIGUEZ REACTED ANGRILY IN A SPEECH IN GUAYAQUIL AND THE CURRENT DIRECTOR OF THE FRONT IS IN JAIL FOR FOUR DAYS. FORMER PRESIDENT VELASCO IBARRA ANNOUNCED HIS SUPPORT FOR THE FRONT, AND THE CFP CALLED FOR A RETURN TO CONSTITUTIONAL GOVERNMENT AND THE END OF PRIVATE OWNERSHIP OF THE MEANS OF PRODUCTION. THE PCE ANNOUNCED ITS SUPPORT FOR THE MILITARY GOVERNMENT. END SUMMARY.

2. VELASCO IBARRA ENTERS THE PICTURE: ON JULY 28 FORMER
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PRESIDENT VELASCO IBARRA ANNOUNCED HIS SUPPORT FOR THE

RESTORATION FRONT THROUGH A LETTER TO HIS SUPPORTERS WHICH WAS PUBLISHED PROMINENTLY IN THE PRESS. VELASCO STATED THAT DICTATORIAL REGIMES ARE ALWAYS CORRUPT AND THAT THE EXISTING ONE HAD ATTEMPTED TO DESTROY THE TRADITION OF JUDICIAL INDEPENDENCE BY THE CREATION OF THE SPECIAL TRIBUNALS. VELASCO ADDED THAT "THE TRIUMPH OF THE FRONT IS ABSOLUTELY SURE" AND THAT ALL PATRIOTS SHOULD COOPERATE TO THIS END.

3. NATIONALIST REVOLUTIONARY PARTY (PNR) CONDEMNS THE REGIME: A REGIONAL ASSEMBLY OF THE PNR (A MEMBER OF THE FRONT AND THE PARTY OF FORMER PRESIDENT CARLOS JULIO AROSEMENA) HELD ON JULY 28, ANNOUNCED ITS "OPPOSITION TO THE PRESENT DICTATORSHIP" AND CALLED FOR A CONSTITUTIONAL GOVERNMENT SAYING THAT THE MILITARY REGIME HAD FAILED TO CURB THE "GALLOPING INFLATION" AND THAT AGRICULTURAL PRODUCTION AND PETROLEUM EXPLORATION WERE DECLINING. (THE LATTER POINT IS A SENSITIVE ISSUE SINCE IT IMPLIES THAT THE REGIME'S PETROLEUM POLICY IS SCARING FOREIGN OIL COMPANIES AWAY.)

4. THE RESTORATION FRONT SPEAKS OUT: ON JULY 26 THE CURRENT DIRECTOR OF THE RESTORATION FRONT (THE LEADERSHIP IS TAKEN IN TURN FOR A MATTER OF A WEEK OR TWO) DR. GONZALO OLEAS ZAMBRANO, THE SECRETARY GENERAL OF THE ECUADOREAN SOCIALIST PARTY, GAVE AN INTERVIEW TO THE PRESS ABOUT THE LATEST MEETING OF THE FRONT. DR. OLEAS SAID THAT THE FRONT CONDEMNED AND REPUDIATED THE THREATS OF THE MILITARY GOVERNMENT AGAINST IT, REJECTED THE USE OF VIOLENCE AGAINST PEACEFUL CITIZENS, PROTESTED THE "SCANDALOUS INCREASE IN THE COST OF LIVING AND THE SPECIAL TRIBUNALS," DEMANDED THE USE OF THE PETROLEUM REVENUES FOR THE BENEFIT OF THE PEOPLE AND NOT FOR THE "PRIVILEGED MINORITIES" (A CLEAR HINT AT CORRUPTION), AND PROTESTED THE INCREASE IN THE SALARIES OF THE ARMED FORCES WHILE THE MAJORITY OF THE POPULATION IS SO POOR. (THIS WILL RECALL THE CASE OF FORMER COLONEL PROANO WHO ALSO PROTESTED THIS ACTION AND DRAMATICALLY RETURNED HIS PAY CHECKS, GOT CASHIERED AND FLED INTO EXILE IN LATE 1972.)

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5. DR. OLEAS ARRESTED: THIS STATEMENT, COMING ON THE HEELS OF A HARD LINE SPEECH BY PRESIDENT RODRIGUEZ ON JULY 25 WHICH ANNOUNCED THE END OF GOE TOLERANCE OF SEDITIOUS POLITICAL ACTIVITY LED TO DR. OLEAS' ARREST ON JULY 30. HE WAS SENTENCED TO FOUR DAYS IN JAIL FOR SPREADING "FALSE RUMORS." (THE POLITICAL ACTIVITY WHICH GENERATED PRESIDENT RODRIGUEZ' SPEECH WAS REPORTED

IN QUITO 3865. THE SPEECH ITSELF WAS DESCRIBED IN GUAYAQUIL 794.) THE ARREST WAS PROTESTED BY THE ECUADOREAN SOCIALIST PARTY AND BY THE FRONT. DR. OLEAS' SUCCESSOR AS DIRECTOR OF THE FRONT, DR. MANUEL ARAUJO HIDALGO (A VELASQUISTA WITH LEFTIST PRO-CUBAN SYMPATHIES), CONDEMNED THE ARREST ASSERTING THAT SUCH ACTIONS WERE A THREAT TO NATIONAL UNITY. DR. ARAUJO WENT ON TO DESCRIBE THE MILITARY GOVERNMENT AS A COMPLETE FAILURE BECAUSE IT HAD TAKEN NO CLEAR ACTION TO COUNTERACT THE SEVERE PROBLEMS CONFRONTING THE COUNTRY. "THE REPUBLIC," HE CONTINUED, "...UNFORTUNATELY WAS ESTABLISHED ON A FALSE BASIS WHICH HAS GIVEN ECUADOR 17 CONSTITUTIONS AND MORE THAN 80 STERILE AND PERNICIOUS MILITARY COUPS. THE PRESENT DICTATORSHIP IS ONE OF THESE UNFORTUNATE EPISODES..." THESE COMMENTS ARE STRONGER AND MORE CUTTING THAN THOSE OF DR. OLEAS SINCE THEY EQUATE THE MILITARY GOVERNMENT TO PREVIOUS ONES AND THUS DENIGRATE THE "NATIONALIST REVOLUTION." WE WOULD NOT BE SURPRISED IF DR. ARAUJO SPENDS SOME TIME IN JAIL IN THE NEAR FUTURE.

6. POSITION OF THE COMMUNIST PARTY (PCE): ON JULY 30 PEDRO SAAD, SECRETARY GENERAL OF THE PCE, ANNOUNCED IN A NEWS CONFERENCE THAT THE PCE SUPPORTED THE MILITARY GOVERNMENT BECAUSE OF ITS POLICY ON PETROLEUM AND THE 200 MILES. SAAD SAID THAT THERE WAS ROOM FOR IMPROVEMENT IN THE REGIME'S PERFORMANCE PARTICULARLY IN AGRARIAN REFORM AND LABOR LEGISLATION. HE REJECTED "REGRESSIVE CONSTITUTIONALISM" WHICH IS ONLY A "MASK" FOR THE OLD OLIGARCHY.
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C O N F I D E N T I A L SECTION 2 OF 2 QUITO 4056

7. POSITION OF THE CONCENTRATION OF POPULAR FORCES (CFP):
THE CFP (THE PARTY OF FORMER PRESIDENTIAL CANDIDATE
ASSAD BUCARAM AND WHICH IS NOT A MEMBER OF THE RESTORATION
FRONT) ANNOUNCED PUBLICLY ON JULY 30 THAT IT VIEWS THE
MILITARY GOVERNMENT AS MERELY A TRANSITIONAL PHENOMENON.
IT CALLED FOR A RETURN TO CONSTITUTIONAL GOVERNMENT IN A
SERIES OF STEPS BEGINNING WITH PROVINCIAL ELECTIONS AND
LEADING WITHIN TWO YEARS TO PRESIDENTIAL ELECTIONS. IN
THE MEANTIME, THE CFP ASSERTS THAT THE EXISTING GOVERN-
MENT SHOULD HOLD A PLEBISCITE ON THE ISSUE OF SOCIALIZING
THE MEANS OF PRODUCTION INCLUDING PRIVATE LAND, INDUSTRY,
BANKS AND OTHER COMMERCIAL ACTIVITIES.

8. COMMENT: THE EXPANDING LIST OF CHARGES AGAINST THE
MILITARY GOVERNMENT -- A NUMBER OF WHICH INVOLVE SENSI-
TIVE AREAS SUCH AS CORRUPTION AND PETROLEUM POLICY AND
THE ESCALATION OF RHETORIC, THE INTERVENTION OF VELASCO,
THE INJECTION OF AN ISSUE FIRST RAISED BY COL. PROANO
AND THE REAPPEARANCE OF THE CFP AND BUCARAM -- HAS
OBVIOUSLY ALARMED THE GOVERNMENT AS IS SHOWN BY THE
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PRESIDENT'S SPEECH IN GUAYAQUIL, OTHER OFFICIAL THREATS
AGAINST SUBVERSION AND BY THE JAILING OF OLEAS. THE
REGIME'S POLITICAL ISOLATION IS UNDERLINED BY THE
ABSENCE OF PUBLIC SUPPORT. ONLY THE PCE AND THE CTE HAVE
MADE PRO-GOVERNMENT STATEMENTS, AND THEY HAVE BEEN
QUALIFIED ONES. THE RESURRECTION OF THE MILITARY PAY
ISSUE AND THE SHADOW OF PROANO ARE IMPORTANT FOR TWO
REASONS: FIRST, THE PAY ISSUE TENDS TO DRAW DISTINCTIONS
BETWEEN THE PEOPLE AND THE ARMED FORCES - A RATHER IN-
CONVENIENT IDEA JUST NOW. SECONDLY, THE FACT THAT COL.
PROANO IS ASSOCIATED WITH THIS RAISES IMAGES OF DIVISION
WITHIN THE MILITARY (AND COMES ON THE HEELS OF RETIRED
ADMIRAL VALDIVIESO'S ANNOUNCEMENT OF THIS SUPPORT FOR THE
FRONT). AS FAR AS WE KNOW NEITHER VALDIVIESO NOR PROANO
HAS ANY SIGNIFICANT SUPPORT WITHIN THE ARMED FORCES. BUT
IN ECUADOR FORMER OFFICERS ARE WIDELY VIEWED AS A PART OF
THE MILITARY ESTABLISHMENT AND THEREFORE FROM THE PER-
SPECTIVE OF THE MILITARY GOVERNMENT THE FACT THAT THESE

TWO ARE TAKING AN OPPOSITION LINE DOES CREATE THE IM-
PRESSION THAT DIVISION EXISTS SINCE THE IMAGE OF
MILITARY UNITY IS DAMAGED.

9. THE CONTRAST BETWEEN THE POLITICAL APATHY WHICH
EXISTED UNTIL RECENTLY AND THIS SUDDEN SPURT OF
POLITICAL ACTIVITY MAKES THE LATTER LOOK MORE DRAMATIC
AND SIGNIFICANT THAN IT PROBABLY IS. BY WAY OF PER-
SPECTIVE, IT SHOULD BE REMEMBERED THAT THE FRONT IS
COMPOSED OF A HETEROGENEOUS GROUP OF TRADITIONAL
POLITICIANS REPRESENTING, FOR THE MOST PART, SPLINTER
GROUPS. IT DOES NOT HAVE ANY COMMON PROGRAM OTHER THAN
AN END TO THE MILITARY GOVERNMENT UNDER UNCLEAR CIRCUM-
STANCES. IT LACKS POPULAR SUPPORT -- AS DOES THE
RODRIGUEZ REGIME. AT PRESENT IT DOES NOT LOOK LIKE A
SERIOUS ALTERNATIVE TO THE PRESENT GOVERNMENT.

10. WHILE THIS IS ONLY SPECULATION, IT MAY BE THAT IN
THE LONG RUN THE POVERTY OF BOTH THE MILITARY GOVERNMENT
AND THE FRONT AS REVEALED IN THIS POLITICAL ACTIVITY MAY
HAVE THE EFFECT OF MAKING BUCARAM AND THE CFP APPEAR TO
BE THE ONLY ALTERNATIVE FOR CHANGE IN ECUADOR.
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